

25 August 1989

Mr. George W. Flanders  
President  
Bowater Inc.  
Carolina Division Woodlands  
5300 Cureston Ferry Road  
Catawba, South Carolina 29704

via. Federal Express

Re: Advance Minimum Royalty Payment for Exploration Agreement with  
Option to Lease, Dated September 1, 1985 - 148.02 acres,  
McCormick County, South Carolina

Dear Mr. Flanders:

Please find enclosed a check in the amount of thirty-four thousand three hundred and seventy six and 73/100 dollars (\$34,376.73) drawn on the account of Gwalia (U.S.A.) Ltd. This check constitutes the advance minimum royalty payment due September 1, 1989, on your 148.02-acre tract, pursuant to the above referenced agreement.

In accordance with Article 5 b. of the above referenced Agreement, advance minimum royalty payments are adjusted to the Consumer Price Index for all Urban Consumers from the effective date of the said Agreement, September 1, 1985. The index for September, 1985 is 108.3 and the most recent index is 124.1 for June 1989.

Please feel free to contact me should you have any questions.

Sincerely,

Michael Drozd  
Vice-President Operations

enclosure

MD/pm



10755485

# CHECK REQUISITION

**GWALIA (U.S.A.) LTD.**

PAYABLE TO: Bowater, Inc. - Carolina Division Woodland

ADDRESS: 5300 Cureton Ferry Road

Catawba, South Carolina 29704

Check No.

**#1393**

Date

28 Aug. 89

DETAILS (Including banking instructions if applicable)

Barite Hill -

Advance minimum royalty payment for exploration agreement due September 1, 1989.

Replacement of voided check #1376 (incorrectly written)

\$

34,376.73

Amount of Check

\$34,376.73\*\*

Amount \$	DR/CR	General Ledger	Description
34,376.73		III/7810	Royalty Payment

EXPENDITURE AUTHORIZED BY:

APPROVAL OF DRAW CHECK:

*Gu attached*

Signature

Signature

Date

Date